June 2, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: Notice of Ex Parte, *Modernizing the E-Rate Program for Schools and Libraries*
WC Docket No. 13-184

Dear Ms. Dortch:

On Thursday, May 29, 2014, the undersigned and Greg Dean, Director of Industry Relations for the South Dakota Telecommunications Association ("SDTA"), along with Denny Law, General Manager of Golden West Telecommunications Cooperative ("Golden West"); Randy Houdek, General Manager of Venture Communications Cooperative; Mark Shlanta, Chief Executive Officer of SDN Communications, Inc. ("SDN"); and Jim Edman, Deputy Commissioner of the South Dakota Bureau of Information and Telecommunications ("BIT"), met with Commissioner Ajit Pai, Commissioner Michael O'Rielly, and Nicholas Degani, Wireline Legal Advisor to Commissioner Pai. Also participating in the meeting were U.S. Senator John Thune, and Senate Commerce, Science and Transportation Staff Jason Van Beek, Deputy General Counsel, and David Quinalty, Policy Director for Communications and Technology. The meeting was held in the Washington Pavilion, at 301 S. Main Ave, in Sioux Falls, South Dakota.

At this meeting, those present representing SDTA and SDN discussed the challenges faced by the rural carriers in South Dakota in deploying advanced broadband networks and services throughout the State's vast geography, in those areas with very low populations. The density characteristics of these areas and the importance of regulatory certainty enabling long term investment planning and access to the necessary capital financing were discussed. In addition, SDTA and SDN Communication shared information, including the attached presentation, describing the extent to which South Dakota's rural carriers, through the creation and operation of the SDN network and other collaboration, have found ways to more cost-effectively deliver high quality broadband services.

Much of the discussion centered around the FCC's pending E-Rate Reform proceeding. Jim Edman provided background information on the State's Digital Dakota Network ("DDN") and how the State Bureau of Information and Telecommunications and State Department of Education have, in partnership with SDN Communications, its member companies, and other broadband service providers, been able to deliver high speed affordable broadband connections to educational institutions throughout the State. Information was shared regarding the broadband and support services made available to school locations, and how the State BIT creates efficiencies by aggregating service demand and acting as a purchasing and support arm for the individual participating schools. It was particularly noted that the consortium purchasing that occurs through the State BIT accommodates multiple sellers and, as such, does not incent the overbuilding of existing private carrier facilities. In addition, Jim Edman provided a summary of the State's previously filed comments on the E-Rate NPRM (also attached).

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS.

Sincerely,

/s/ Richard D. Coit
Richard D. Coit

Executive Director and General Counsel,
South Dakota Telecommunications Association

CC: Commissioner Ajit Pai
Commissioner Michael O'Rielly
Nicholas Degani


SDTA
South Dakota Telecommunications Association

21 Incumbent Landline Providers

14 Member-Owner Cooperatives and Subsidiaries

Alliance (Garretson)
Golden West (Wall)
Interstate (Clear Lake)
James Valley (Groton)
TrioTel (Salem)
Midstate (Kimball)
Roberts County/RC Communications (New Effington)
Santel (Woonsocket)
Valley (Herreid)
Venture/Western Telephone (Highmore)
West River Telecom (Hazen, ND, serving Mobridge)
West River Coop (Bison)

3 Privately-Owned

Fort Randall (Wagner)
Kennebec Telephone
Long Lines (Jefferson)

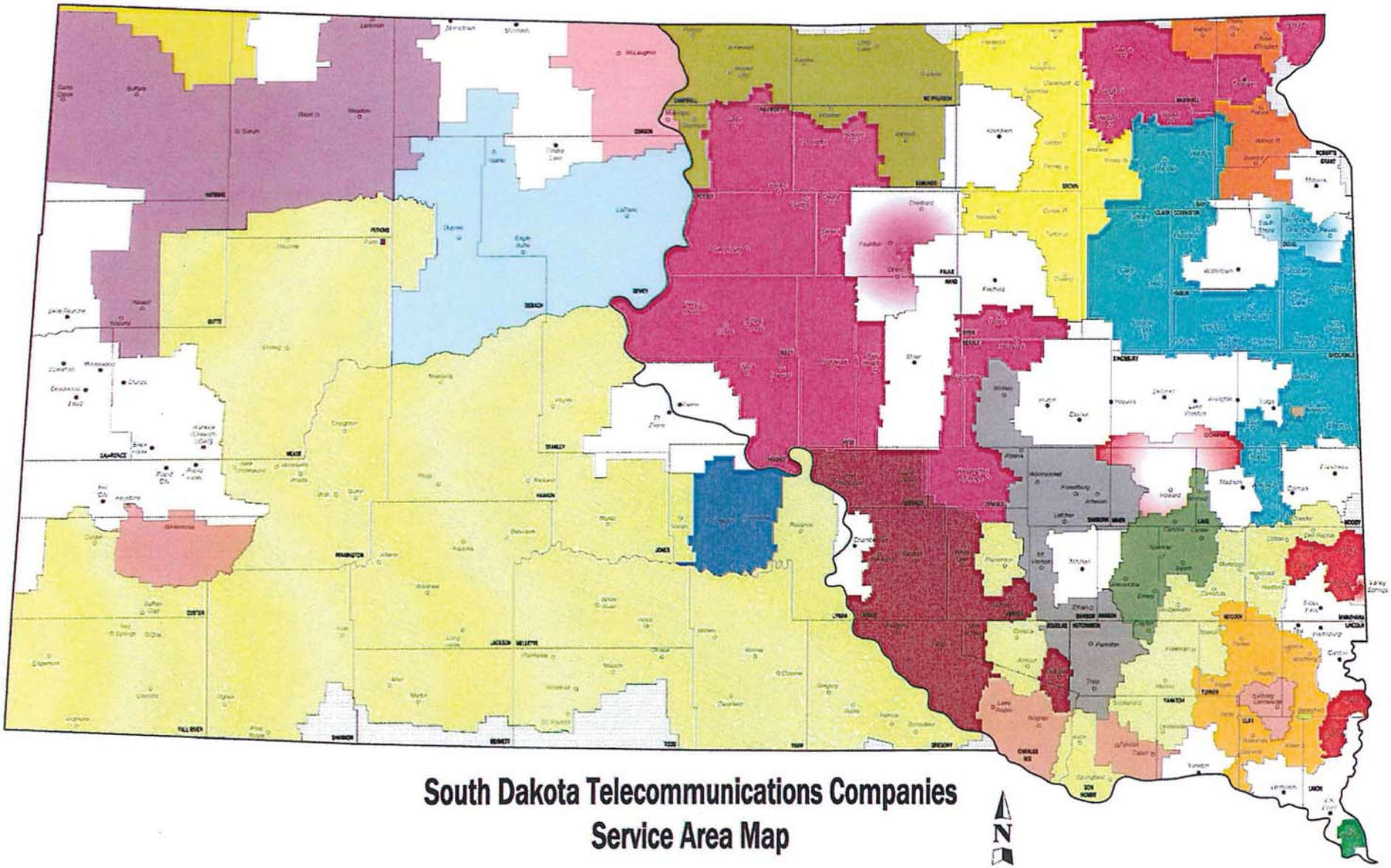
3 Municipal Companies

Beresford
Swiftel (Brookings)
Faith

1 Tribal Authority

Cheyenne River Sioux Tribal Telephone (Eagle Butte)

SDTA
South Dakota Telecommunications Association



South Dakota Telecommunications Companies
Service Area Map

N

SDN Communications joint ownership

- Switching and network operations center and marketing arm for South Dakota's fiber backbone
- Three (3) regional SONET rings offer unmatched redundancy and security
- SDN supplies
  - Internet to State of South Dakota for DDN sites
  - connectivity for State Radio operation
  - connects most of state's courthouses for UJS
- Recent expansion allows direct network connections to eight states

SDTA
South Dakota Telecommunications Association

SDN COMMUNICATIONS
Broad Reach. Personal Touch.

2900 West 10th Street, Sioux Falls, SD 57104
phone 605.334.7165 toll-free 800-247-1442 fax 605.334.4782
www.sdncommunications.com

KEY

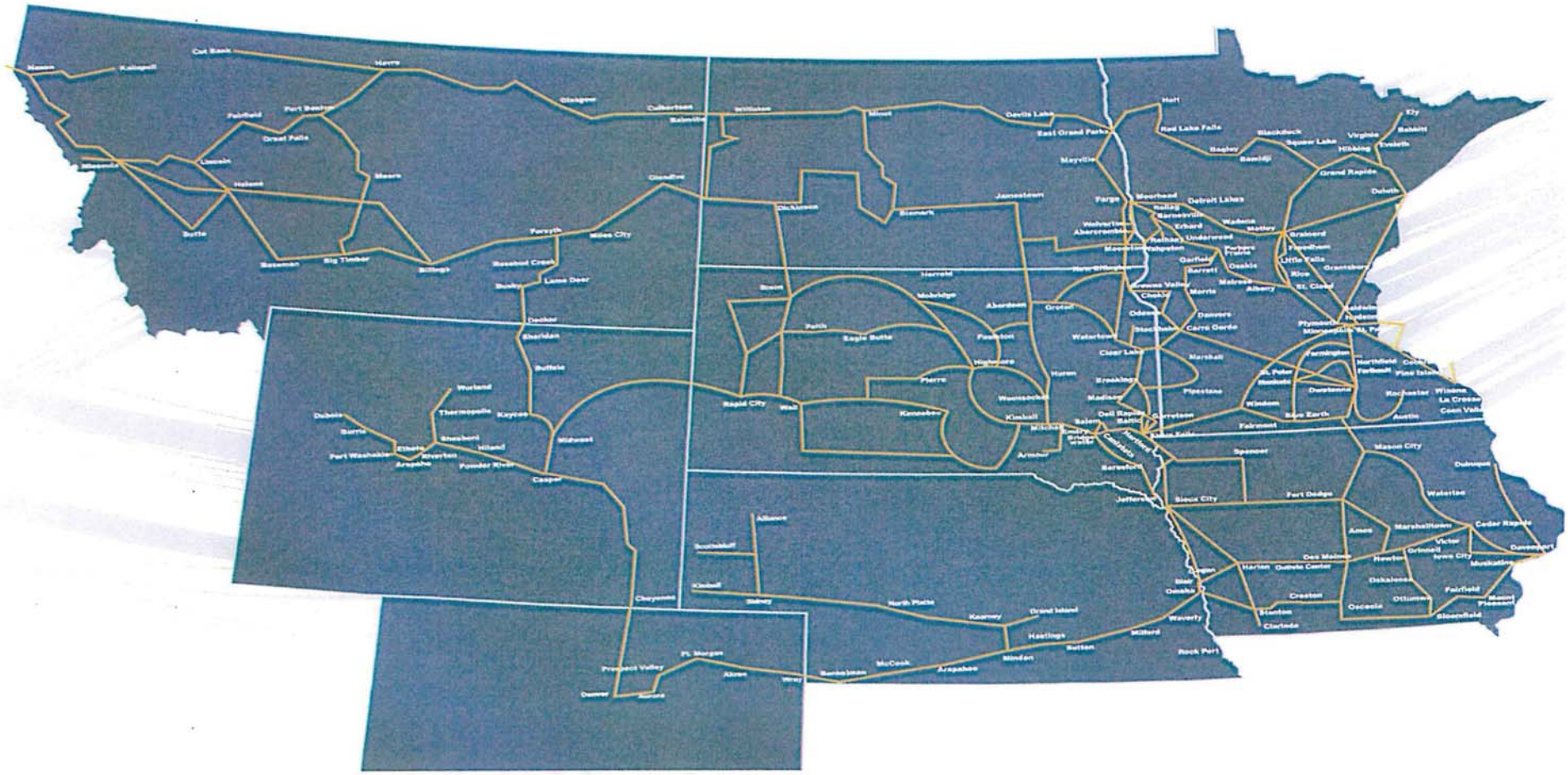
Linear Fiber
Sonet Ring

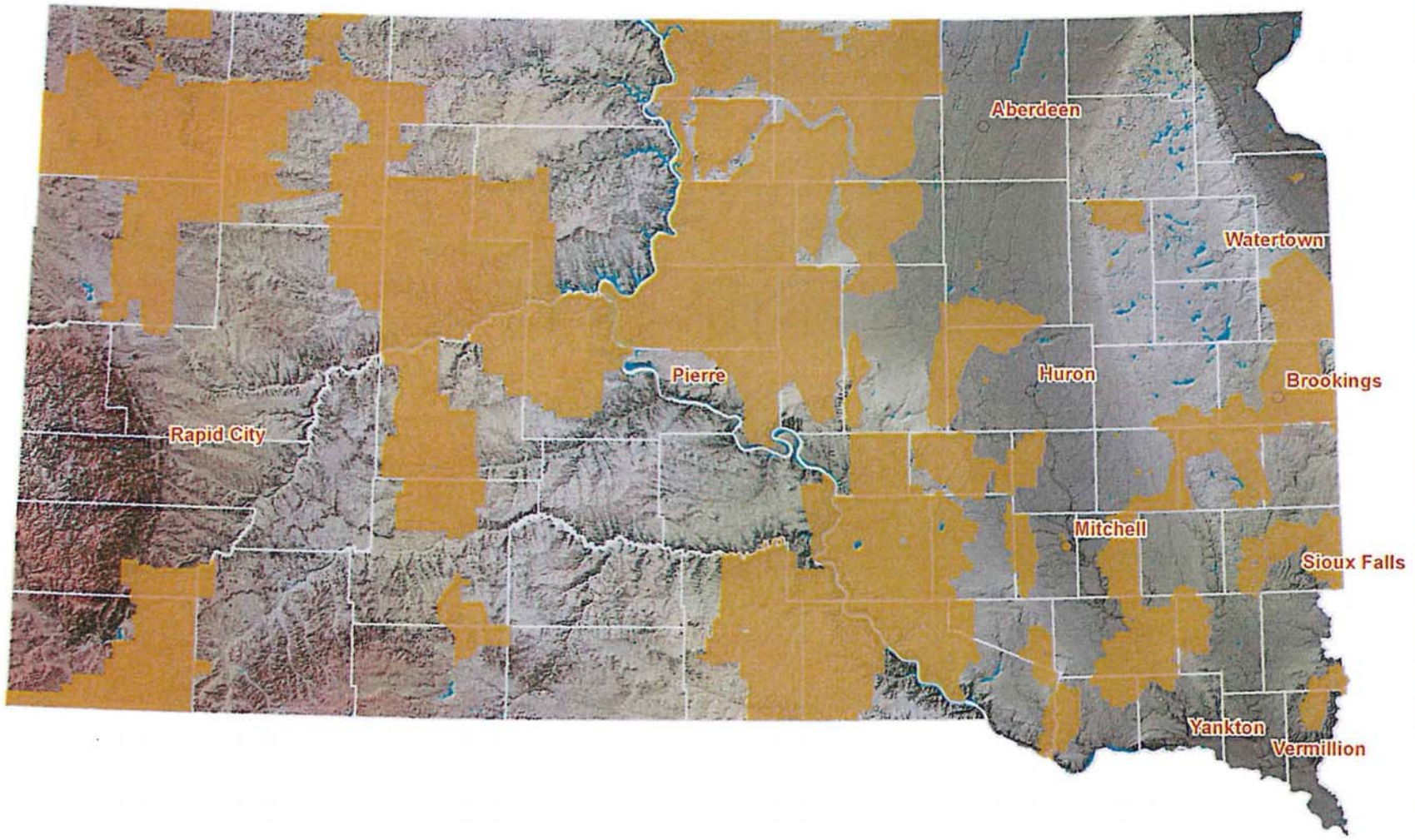
Commercial Sales
SOUTH DAKOTA

SDN COMMUNICATIONS

REGIONAL FIBER MAP

SDN Communications Sioux Falls Office • 2900 West 10th Street, Sioux Falls, SD 57104 • 800-247-1442 • www.sdncommunications.com
SDN Communications Omaha Office • 10110 Nicholas Street, Suite 201 • Omaha, NE 68114-2185 • 402-397-0695 • www.sdncommunications.com/omaha





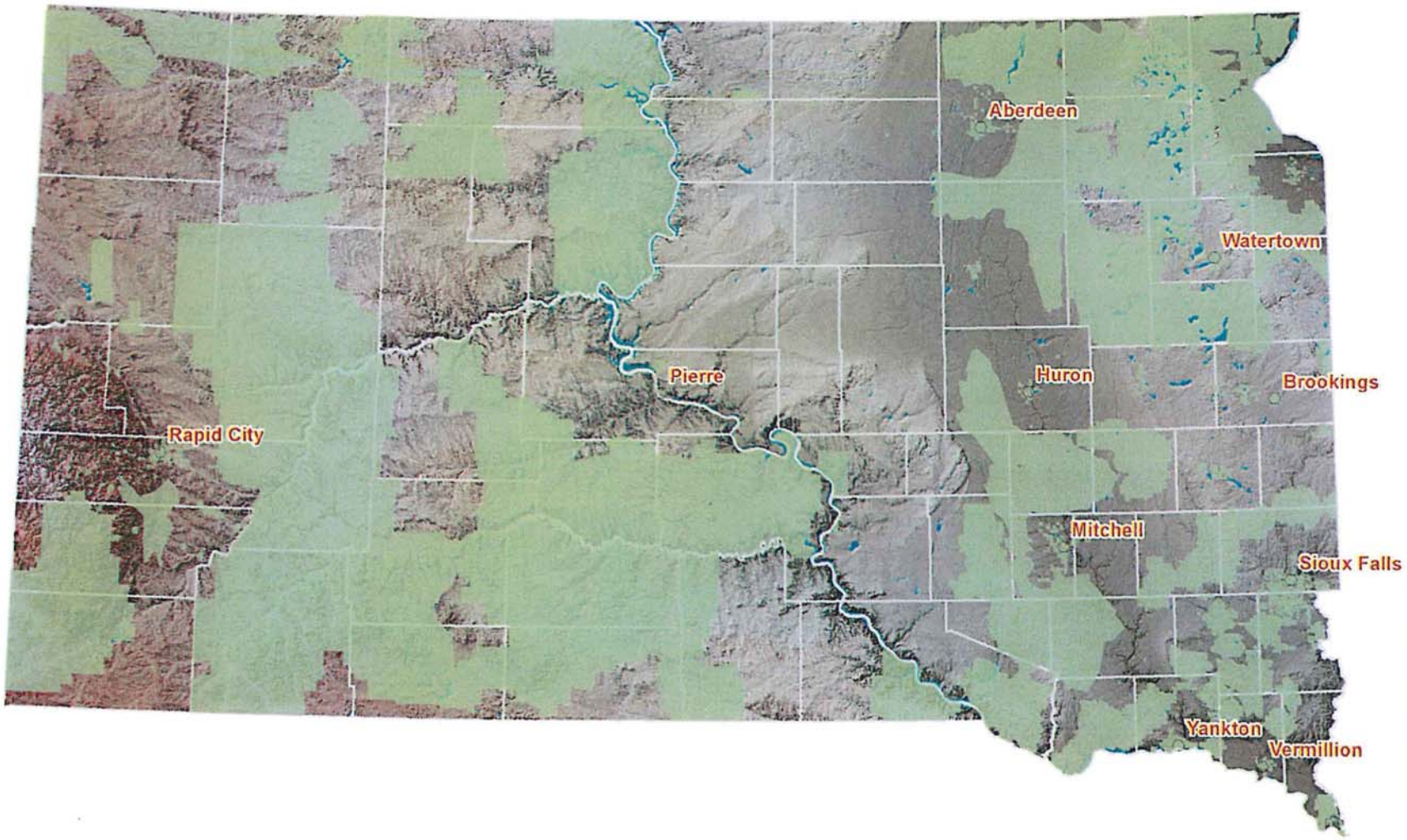
DISCLAIMER: This map was created under a National Telecommunications and Information Administration's State Broadband Data and Development grant awarded to the State of South Dakota as a representation of broadband availability. Although efforts to ensure utmost accuracy have been made, this map is not intended to be, nor should be used as, an authoritative source of available broadband service. The State of South Dakota, nor its contractors, make no warranty or guarantee as to the content, accuracy, timeliness, or completeness of the information provided herein.

South Dakota Broadband
Fiber to the Home

Data as of October 2013

N

Fiber



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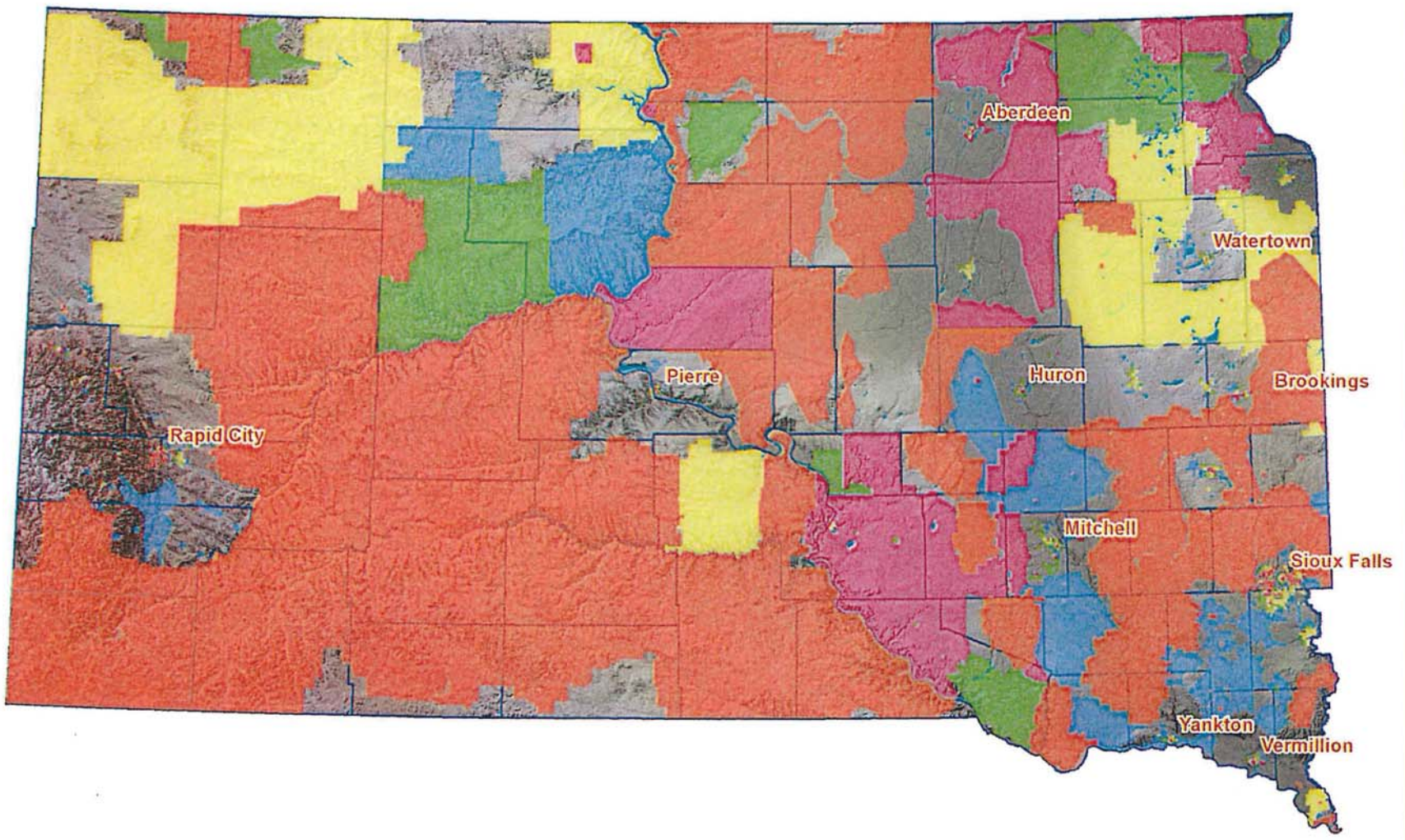
South Dakota Broadband
DSL Availability

Data as of October 2013

N

DSL



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South Dakota Broadband Wireline Download Speeds

Data as of October 2013

N

Maximum Advertised Speeds

- >= 768 Kbps and < 3 Mbps
- >= 3 Mbps and < 6 Mbps
- >= 6 Mbps and < 10 Mbps
- >= 10 Mbps and < 25 Mbps
- >= 25 Mbps

E-Rate reforms

- Modernized E-Rate Program, to maximize cost-effectiveness, should be based on framework which defines at granular/local level actual problem ("affordability" vs. "availability")
- E-Rate Modernization should not enable duplicative, in-efficient network builds
- Modernized E-Rate Program must be coordinated with other important and complementary federal initiatives ("anti-cannibalization rule")

SDTA
South Dakota Telecommunications Association

E-Rate reforms

- If "total unavailability" exists, use of E-Rate funds to support capital expenditures for outside network plant should be subject to robust review procedures
- Consortium purchasing should not lead to overbuilding at certain schools and waste of E-Rate Resources at expense of prior private investments or other important federal programs
- Connection speed targets should be tethered to reasonably foreseeable need or demand and to what school can realistically afford

SDTA
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E-Rate reforms

- E-Rate participating schools are diverse group with diverse needs, and flexible approach (allowing for local decision-making) is necessary to maintain meaningful participation
- As part of any E-Rate Modernization, Commission should be mindful of impacts and avoid flashcuts

SDTA
South Dakota Telecommunications Association

South Dakota Data

- SD Bureau of Information and Telecommunications (BIT) and SD Department of Education (SD DOE) offer high speed broadband services to all of State's 151 public school districts though Digital Dakota Network (DDN) (Initial comments dated Sept. 16th)
- DDN purchases underlying transmission and other network support services from commercial providers/carriers
- Many of these services are provided by SDN Communications, its member companies, and other RLECs

SDTA
South Dakota Telecommunications Association

South Dakota Data

- South Dakota student population very rural (5th most sparsely populated state ahead of ND, MT, WY, and Alaska)
  - Approx. 77,000 square miles with population of approx. 833,000
- Fall 2012 enrolled student population statewide – 146,514
- 102 of 151 school districts (68%) < 500 students
- 30 school districts (20%) < 200 students
- 59 school districts (39%) – one building hosting elementary, middle and high schools
- Only 23 school districts (15%) >1,000 students
- Approx. 37,000 students enrolled in two largest districts (Sioux Falls and Rapid City)

SDTA
South Dakota Telecommunications Association

South Dakota Data

- High speed Connection "availability," generally, not issue in South Dakota
  - Most school sites receiving services through DDN and partner carrier/providers are connected with fiber-to-the-premises
  - Of 274 total school sites served:

17	<=	20.0 Mbps
9	<=	50.0 Mbps
182	<=	60.0 Mbps
5	<=	100.0 Mbps
54	<=	250.0 Mbps
7	<=	1000.0 Mbps

SDTA
South Dakota Telecommunications Association

State of South Dakota

bureau of information & telecommunications

NPRM E-Rate Summary Comments
Commissioners Pai & O'Rielly

South Dakota Technology in Schools Background

- State of South Dakota has a one-of-a-kind technology program for schools. We have designed, funded and supported Internet access, district connections, network management, cyber security management, collaboration, distance learning, student information system, technology design and many other technology services to schools since 1999 including last mile connections to the school buildings. The Department of Education receives an average of $1.8M in E-Rate funding on an annual technology budget of $9M serving 151 school districts and 140,000 students, teachers and support staff.
- Bandwidth minimum 1999: 1.5Mbps
  Bandwidth minimum 2014: 50Mbps
- Partner with telecommunications industry – lease based services
- 2013-2014 School survey response to Level of Satisfaction with Internet Access: Excellent and Good response = 92.6%

E-Rate Comments

1. Prioritize recurring bandwidth costs that are subject to multi-year contracts
2. Consortia Purchasing
   a. Adds significant efficiencies
   b. Should be encouraged through receipt of additional 5% discount
   c. Meeting state and federal rules duplicative
   d. Schools could take advantage of other's expertise
3. Eligible Services should be reduced
   a. Voice, air cards, paging, email, web hosting, maintenance should be eliminated
4. Program efficiencies before expanding funding
   a. Adequate checks and balances
   b. Competitive bidding works
5. School Investment Contribution
   a. Incentivizes schools
   b. Prioritizes projects
6. Streamline Process
   a. State Expertise Assistance is available
   b. Fewer forms, process applications quicker
7. Per Student Funding
   a. Do not currently support
   b. Objective analysis unknown
   c. 1 / 5 funding – better matches project surges & lifecycle refreshes
   d. Significantly complicates consortia applications
   e. Increase opportunities for fraud & abuse. Unknown oversight.
   f. Compromise of annual P1 allocation based on costs + per student P2?